

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

AMAZON.COM, INC. and AMAZON
DATA SERVICES, INC.,

Plaintiffs,

v.

WDC HOLDINGS LLC dba NORTHSTAR
COMMERCIAL PARTNERS; BRIAN
WATSON; STERLING NCP FF, LLC;
MANASSAS NCP FF, LLC; NSIPI
ADMINISTRATIVE MANAGER; NOVA
WPC LLC; WHITE PEAKS CAPITAL LLC;
VILLANOVA TRUST; CASEY
KIRSCHNER; ALLCORE DEVELOPMENT
LLC; FINBRIT HOLDINGS LLC;
CHESHIRE VENTURES LLC; CARLETON
NELSON; JOHN DOES 1-20,

Defendants.

CASE NO. 1:20-CV-484-LO-TCB

PLAINTIFFS' MOTION FOR RULE 37 AND CIVIL CONTEMPT SANCTIONS

Plaintiffs Amazon.com, Inc. and Amazon Data Services, Inc. ("Plaintiffs") respectfully move under Federal Rules of Civil Procedure 37 and 53 and this Court's inherent civil contempt power to impose the following sanctions on Defendants Brian Watson and WDC Holdings LLC ("Defendants") for their violations of the Court's July 22, 2020 (Dkt. 95) and November 13, 2020 (Dkt. 231) orders: (1) preclude all of the defenses that Defendants raised in response to the preliminary injunction the Court entered on June 5, 2020 (Dkt. 57), but did not timely or sufficiently address in discovery due to Defendants' violations of the Court's July 22 and November 13 orders; (2) deem established the facts and evidence addressed in Plaintiffs' Proposed Order; (3) find that Defendants have waived all privilege claims asserted in connection with their

untimely and substantively deficient December 31, 2020 privilege and redaction log, and order the immediate production of all associated documents in their entirety; (4) appoint an independent forensic expert to image, search, and conduct a forensic inspection of Defendants' devices, at Defendants' expense, for information responsive to the discovery requests addressed in the Court's July and November 2020 orders; (5) appoint a special master at Defendants' expense to oversee Defendants' discovery responses and compliance with any and all relief the Court orders on this motion; (6) order Defendants to pay a daily civil fine to the Clerk of Court, starting at \$1,000 on the third business day after Defendants are ordered to take any action the Court orders on this motion, and doubling each day thereafter, until Defendants comply in full with the Court's orders; and (7) impose any other relief the Court deems appropriate.

Defendants have engaged and continue to engage in a series of ongoing violations of the Court's July 22 and November 13, 2020 discovery orders. Dkts. 95, 231. These discovery orders were issued after Defendants refused to comply with the Court's April 2020 temporary restraining order and June 5, 2020 preliminary injunction requiring Defendants to preserve transaction proceeds and other assets and evidence at issue in this matter. Dkts. 16, 57. More than six months after the Court granted Plaintiffs' motion to compel and ordered Defendants to produce *all* discovery responsive to the requests the Court ordered last July, Dkt. 231, Defendants still have not complied with the Court's directives. For nearly a year, Defendants have abused the discovery process in order to veil and perpetuate their contempt of this Court's April, June, July, and November 2020 orders, file collateral litigation in Delaware on claims this Court has rejected, and dispose of over \$100 million in assets.

The parties have conferred on multiple occasions in an effort to narrow the areas of disagreement giving rise to Plaintiffs' sanctions request, and are at impasse regarding Defendants'

ongoing violations of the Court's July and November 2020 discovery orders. Accordingly, Plaintiffs respectfully move the Court for an order sanctioning Defendants and holding them in contempt of these discovery rulings on the grounds detailed in the memorandum of law and exhibits supporting this motion.

Dated: June 2, 2021

Respectfully submitted,

s/ Luke M. Sullivan _____

Elizabeth P. Papez (*pro hac vice*)

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Claudia M. Barrett (*pro hac vice*)

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CERTIFICATE OF SERVICE

I hereby certify that on June 2, 2021, I will electronically file the foregoing with the Clerk of Court using the CM/ECF system. I will then send the document and a notification of such filing (NEF) to the following parties via U.S. mail to their last-known address and by email, where noted:

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